Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	WCB/Pricing 02-12
)	
2002 Annual Access Tariff Filings)	

Order on Reconsideration

Adopted: July 31, 2002 Released: July 31, 2002

By the Deputy Chief, Pricing Policy Division:

I. INTRODUCTION

1. On July 1, 2002, we released an order that suspended for one day and set for investigation the 2002 annual access tariff filings of ACS of Anchorage, Inc., the National Exchange Carrier Association (NECA), VALOR Telecommunications Enterprises, LLC, and Virgin Islands Telephone Corporation (Vitelco). We imposed an accounting order and initiated an investigation into the lawfulness of a number of issues raised by these tariff filings. In this order, on our own motion, we reconsider our decision to suspend and investigate the annual access tariff filings of ACS, NECA, VALOR and Vitelco and hereby terminate our investigation of those rates. None of the 2002 annual access tariff filings remain under investigation.

II. DISCUSSION

- 2. Since issuing the *Suspension Order*, we have analyzed the filings under investigation, corresponded with the parties, and examined supplemental data, tariff revisions and revised tariff support data filed by several carriers. Based on our review of the record, including recently filed tariff revisions, we conclude the filings we previously suspended no longer raise issues that warrant investigation.²
- 3. In the *Suspension Order*, we questioned whether ACS correctly calculated demand for all switched access rate elements.³ ACS has revised its demand projection and the

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¹ 2002 Annual Access Tariff Filings, WCB/Pricing 02-12, Order, DA 02-1555 (Pricing Policy Division rel. July 1, 2002) (Suspension Order).

² The suspended tariffs are: ACS of Anchorage, Inc., Transmittal No. 11, Tariff FCC No. 1; National Exchange Carrier Association, Transmittal No. 939, Tariff FCC No. 5; VALOR Telecommunications Enterprises, LLC, Transmittal No. 18, Tariff FCC No. 1; Virgin Islands Telephone Corporation, Transmittal No. 48, Tariff FCC No. 1 (issued June 17, 2002); VALOR Telecommunications Enterprises, LLC, Transmittal No. 19, Tariff FCC No. 1 (issued June 25, 2002); National Exchange Carrier Association, Transmittal No. 941, Tariff FCC No. 5 (issued June 28, 2002).

³ Suspension Order at 2.

resulting switched access rates, and it has made a revised filing to reflect these changes.⁴ In light of this revision, we find that no further investigation of ACS's annual access tariff rates is warranted.⁵

- 4. In the *Suspension Order*, we questioned whether NECA correctly forecast its demand projections and its revenue requirement.⁶ We also questioned NECA's use of special studies to develop rates for advanced services while it used a residual revenue requirement to develop rates for DS1 and other special access services.⁷ After reviewing NECA's filing, including the overhead loading NECA applied to advanced services and to other special access services, we find no basis for further investigation of NECA's 2002 annual access tariff rates.
- 5. The Suspension Order questioned whether VALOR correctly computed the lower formula exogenous cost adjustment (LFA) originally included in its 2001 annual access filing and whether VALOR's currently-stated LFA is correct. VALOR modified its prior-year LFA and has revised its Tariff Review Plan (TRP) for its 2002 annual access tariff to reflect this adjustment, and has filed a revised tariff to reflect these changes. In light of VALOR's revised TRP and tariff, we find no basis for further investigation of VALOR's annual access tariff rates.
- 6. The Suspension Order also questioned whether Vitelco correctly forecast its cash working capital revenue requirements and correctly assigned a portion of general support facilities (GSF) investment to the billing and collection category, as required by the Rate-of-Return Access Charge Reform Order. Revised tariff support data that Vitelco submitted after the Suspension Order shows that the carrier correctly calculated its cash working capital revenue requirements in accordance with our rules. Additionally, Vitelco has revised its allocation of GSF investment in order to assign a portion to the billing and collection category, and has filed a revised tariff to reflect this modification. In light of this revision, we find no reason for further investigation of Vitelco's annual access tariff rates.

III. ORDERING CLAUSES

7. Accordingly, pursuant to sections 0.91, 0.291 and 1.113 of the Commission's

⁴ See ACS of Anchorage, Inc., Transmittal No. 16, Tariff FCC No.1 (issued July 30, 2002).

⁵ We note that, on the date of this order, General Communication, Inc. (GCI) filed a petition to suspend and incorporate into the current investigation ACS's recent tariff filing, Transmittal No. 16. General Communication, Inc. Petition to Suspend and Investigate, WCB/Pricing 02-12 (filed July 31, 2002). We decline GCI's invitation to incorporate ACS's most recent filing into the current investigation. We will respond to the remainder of GCI's petition after ACS has had the opportunity to respond to it.

⁶ Suspension Order at 2.

⁷ *Id*.

⁸ *Id*.

⁹ See VALOR Telecommunications Enterprises, LLC, Transmittal No. 22, Tariff FCC No. 1 (issued July 26, 2002).

¹⁰ Suspension Order at 2. See Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, CC Docket No. 00-256, Second Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 19613 (2001) (Rate-of-Return Access Charge Reform Order).

¹¹ See Virgin Islands Telephone Corporation, Transmittal No. 50, Tariff FCC No. 1 (issued July 29, 2002).

rules, 47 C.F.R. §§ 0.91, 0.291, and 1.113, WE RECONSIDER ON OUR OWN MOTION our decision in the *Suspension Order*, WCB/Pricing 02-12, DA 02-1555, to suspend and investigate the 2002 annual access tariff rates of ACS of Anchorage, Inc., the National Exchange Carrier Association, VALOR Telecommunications Enterprises, LLC, and Virgin Islands Telephone Corporation.

8. IT IS ORDERED that, pursuant to sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, the tariff investigation and accounting order imposed in the *Suspension Order*, WCB/Pricing No. 02-12, DA 02-1555, ARE TERMINATED with respect to ACS of Anchorage, Inc., the National Exchange Carrier Association, VALOR Telecommunications Enterprises, LLC, and Virgin Islands Telephone Corporation, as indicated in this Order.

FEDERAL COMMUNICATIONS COMMISSION

Jeffrey H. Dygert Deputy Chief, Pricing Policy Division Wireline Competition Bureau